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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

7 February 1951

SUBJECT: DRAFT TERMS OF REFERENCE: NIE-27: CHINESE COMMUNIST  
CAPABILITIES AND INTENTIONS WITH RESPECT TO TAIWAN

THE PROBLEM

To estimate Chinese Communist capabilities and intentions with respect to securing control over Taiwan, and the place of Taiwan in over-all Communist strategic planning for 1951.

SCOPE

This estimate will assess the probable importance to the Chinese Communists and to the USSR of securing control over Taiwan during 1951. It will also examine Communist intentions with respect to Taiwan during 1951 in the light of their own announcements and of intelligence indications. In addition, an estimate will be made of Communist capabilities for securing Taiwan in the face of Chinese Nationalist capabilities for defense, and in consideration of the other major commit-

ments that the Chinese Communists may assume during the year.  
Finally, an estimate will be made of the probable role of  
Taiwan in over-all Communist planning during 1951.

QUESTIONS BEARING ON THE PROBLEM

I. WHAT ARE COMMUNIST CHINA'S CAPABILITIES FOR SECURING  
CONTROL OVER TAIWAN?

Department of  
Defense  
(coordinated by  
Navy)

A. What Chinese Communist resources are available for  
an assault on Taiwan?

1. Military strength and disposition of forces  
(including air and naval support).
2. Waterlift capability.

B. What are the demands on Chinese Communist resources  
made by other major commitments?

OIR

1. Needs of domestic reconstruction.

Defense, OIR, CIA

2. Anti-guerrilla and bandit operations.

Defense

3. The Korean operation.

Defense

4. Other possible campaigns (e.g., Indochina).

Department of  
Defense

C. Is Soviet covert assistance for an assault on  
Taiwan possible?

OIR, CIA

D. What are Chinese Communist capabilities for sub-  
version on Taiwan?

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- Defense E. What are Nationalist capabilities to repel an assault?
- Defense F. What are the deficiencies of the Nationalists which would have to be met by US aid in order to repel an assault?
- OIR G. What would be the international implications of US aid to the Nationalists in repelling an assault on Taiwan?
- II. WHAT IS THE IMPORTANCE OF TAIWAN TO COMMUNIST CHINA AND TO THE USSR?
- OIR A. From a political point of view, what is the relevance or importance of such factors as:
1. Removal of Nationalist threat to internal Communist control?
  2. Removal of Nationalist obstruction to international position of PRC?
  3. Domestic prestige of PRC?
  4. Reduction of faith of non-Communist Far East in US will and ability to combat Communism?
  5. Splitting of US and Western allies?
- Defense B. From a military and strategic point of view, what is the relevance or importance of such factors as:

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1. Denial to the US of an important air and submarine base for both offensive and defensive operations?
2. Air base for attacks on Okinawa and the Philippines?
3. Submarine base for interdiction of US lines of communication?
4. Neutralization of the US Pacific defense system?
5. Springboard for aggression to the Philippines and other areas to the south?

III. WHAT EXTERNAL FACTORS WILL AFFECT COMMUNIST CHINA'S INTENTIONS WITH RESPECT TO TAIWAN IN 1951?

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| Defense, OIR | A. Considerations of over-all Soviet policy. |
| Defense, OIR | B. Consideration of US counter-action.       |

IV. WHAT ARE COMMUNIST CHINA'S APPARENT INTENTIONS WITH RESPECT TO TAIWAN?

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| OIR | A. What are the announced intentions of the PRC? |
|     | 1. As revealed in domestic propaganda.           |
|     | 2. As revealed in foreign propaganda.            |
|     | 3. As revealed in UN negotiations.               |

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Defense                      B. What intentions may be inferred from the present  
                                 status of military preparations?

V.            WHAT IS THE PROBABLE PLACE OF TAIWAN IN CHINESE COMMUNIST  
                 OVER-ALL PLANNING DURING 1951?

Defense, OIR                A. What is the probable priority of Taiwan relative  
                                 to other Communist objectives in 1951?

Defense, OIR                B. What course of action are the Communists most  
                                 likely to adopt with respect to Taiwan in 1951?

1. Political maneuver and negotiations?
2. Subversive and paramilitary action on Taiwan?
3. Direct military assault? What would be the  
                                 probable timing of an assault?